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Intergovernmental Meeting of Experts
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Draft report

Intergovernmental Meeting of Experts on South-South Cooperation

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I. INTRODUCTION

Opening of the meeting, election of officers and organization of work

1. Pursuant to General Assembly resolution 49/96 of 19 December 1994 and decision 9/2 of the High-level Committee on the Review of Technical Cooperation among Developing Countries (TCDC), the Intergovernmental Meeting of Experts on South-South Cooperation was convened in New York from 31 July to 4 August 1995. In the course of its session, it held ___ formal plenary meetings and ___ informal meetings.

Introductory statements

2. The meeting was opened on behalf of the Secretary-General by the Associate Administrator of the United Nations Development Programme (UNDP), Mr. Rafeeuddin Ahmed.

3. Mr. Sid Ali Ketrandji, Director, Economic Relations, Ministry of Foreign Affairs of Algeria, was elected Chairman of the Intergovernmental Meeting by acclamation.

4. The following officers were also elected by acclamation:

Vice-Chairmen: Mr. J. S. Mukul (India)
Mr. Antoine de Jong (Netherlands)

Rapporteur: Ms. Soledad Bernuy (Peru)

5. The meeting adopted its agenda and programme of work as contained in document A/AC.246/L.1.

6. The Chairman said that a major objective of the meeting was to identify elements for action for expanding South-South cooperation on a global scale with a view to complementing North-South cooperation. In accordance with General Assembly resolution 49/96, the outcome of the meeting would provide substantive inputs to the report of the Secretary-General at the fiftieth session of the Assembly, entitled "State of South-South cooperation," keeping in view the proposal to convene a United Nations conference on South-South cooperation.

7. He identified two principal tasks before the meeting: first, to draw lessons from past experience with South-South cooperation, taking into account the dynamic changes taking place in the world economy; and second, to formulate practical recommendations, thus making a substantive contribution towards the proposed United Nations conference on South-South cooperation. He referred to the substantive reports prepared by the Secretariat to assist in the work of the meeting (A/AC.246/1 and A/AC.246/2) as well as to the outcomes of the third session of the UNCTAD Standing Committee on Economic Cooperation among Developing Countries (ECDC) and the ninth session of the High-level Committee on the Review of Technical Cooperation among Developing Countries, which, according to resolution 49/96, needed to be taken into account by the meeting.

8. The Representative of the Secretary-General and Associate Administrator of UNDP said that the General Assembly resolution 49/96, which called for convening of the current meeting, was an important manifestation of the revival of interest in South-South cooperation. That resurgence of interest was also evidenced by the more than 30 initiatives in 1995 alone. Further, there was also growing support of the developed countries for South-South cooperation. A major task of the meeting was to generate new ideas to take full advantage of the potential of South-South cooperation against the backdrop of fundamental changes in international economic relations, particularly globalization and liberalization.

9. While some developing countries had been able to take advantage of the changing global circumstances, most had not. However, these differences in experience themselves stimulated interest in South-South cooperation. In the past, South-South cooperation had been at its most dynamic during periods of economic success, and declining economic circumstances in many developing countries made such cooperation difficult. However, prospects of South-South cooperation had improved in recent years, and developing countries had to build on the momentum that had been generated by intensifying cooperation in a number of strategic areas.

10. Cooperation among developing countries should not be confined to economic issues alone. He said that social, political and technical cooperation was also required. Recent global conferences, which dealt with social, environmental and other related issues, explicitly identified South-South cooperation as an important modality for implementing their outcomes.

11. The present meeting would make a significant contribution to strengthening South-South cooperation if it led to practical recommendations and imaginative approaches. At the regional level, exchanges among regional organizations needed to be fully exploited. At the international level, support for initiatives was needed from the United Nations system, including support mechanisms within UNDP/TCDC and UNCTAD/ECDC as well as from the developed countries in triangular cooperation.

II. SUBSTANTIVE ISSUES

Review of the status of South-South cooperation and the emerging issues (agenda item 4); and expanding South-South cooperation: substantive issues and practical modalities (agenda item 5)

12. For its consideration of these items, the Intergovernmental Meeting of Experts had before it the following documentation:

(a) "Status of South-South cooperation and the emerging issues" (A/AC.246/1);

(b) "Expanding South-South cooperation: some suggested issues and modalities" (A/AC.246/2).

13. In addition, the meeting had before it the following background documents:

(a) "Report of the High-level Committee on the Review of Technical Cooperation among Developing Countries on the work of its ninth session" (A/50/39);

(b) "Report of the UNCTAD Standing Committee on Economic Cooperation among Developing Countries on its third session" (TD/B/42(1)/7, TD/B/CN.3/16).

General statements

14. Introducing the substantive items before the meeting, the Director of the Division for Economic Cooperation among Developing Countries and Special Programmes of the United Nations Conference on Trade and Development (UNCTAD) said that the Intergovernmental Meeting was the result of excellent cooperation between the Division for ECDC and Special Programmes of UNCTAD and the Special Unit for TCDC. Such coordination was necessary not only within the United Nations system but also at national and regional levels. She noted that the meeting was fortunate to have national experts in South-South cooperation.

15. She referred to two substantive reports prepared by UNCTAD under agenda items 4 and 5. On item 4, the report entitled "Status of South-South cooperation and the emerging issues" (A/AC.246/1) provided factual information on the situation relating to South-South cooperation and reviewed a number of major issues, problems and perspectives relating to such cooperation. Recent resurgence of interest in South-South cooperation, which not only committed regional partners but also countries in different regions and at different levels of development, was indicative of the validity of economic cooperation among developing countries as an important strategy for growth and development. For low-income countries, however, the implications of the integration process went beyond the confines of trade policy. A number of obstacles, such as inadequate institutional arrangements and infrastructure coupled with policies that discouraged investment and production, constrained expansion and diversification of South-South trade.

16. The increased interest of developing countries in South-South cooperation presented both opportunities and challenges in the present context of globalization and liberalization. South-South cooperation based on open and flexible regionalism could be a useful approach in this context. Past experiences pointed to a number of factors affecting the success of South-South cooperation arrangements, such as economic complementarity; geographic conditions and proximity; similarity of historic and cultural contexts; political commitment, macro stability; and strong institutions.

17. As regards item 5, the report entitled "Expanding South-South cooperation: some suggested issues and modalities" (A/AC.246/2) identified constraints and strategies. She summarized the major conclusions and recommendations in the following areas: communication and technology; global system of trade preference; services sector development; collaboration in production and investment; cooperation concerning capital market; and the adequacy of extended support.

18. The Director of the Special Unit for Technical Cooperation among Developing Countries, UNDP, said that in the light of the processes of globalization and economic liberalization, the intensification of South-South cooperation has become a major imperative both as a development strategy and as a means for ensuring the effective and equitable integration of the developing countries in the new global order.

19. In response to General Assembly resolution 49/96, the UNDP Special Unit for Technical Cooperation among Developing Countries had prepared a document entitled "New directions for TCDC" (TCDC/9/3) for consideration by the High-level Committee on the Review of Technical Cooperation among Developing Countries. It proposed that TCDC should be reoriented to focus on strategic initiatives that would have a major development impact on a large number of developing countries and, in the future, TCDC should focus on major issues such as trade and investment, debt, environment, poverty alleviation, production and employment as well as macroeconomic coordination and management. A central element of the "New directions" report was the emphasis on the forgoing of increased operational linkages between TCDC and ECDC. That approach would enable TCDC to serve as a critical instrument in the service of broader economic cooperation schemes among developing countries.

20. The ninth session of the High-level Committee endorsed the recommendations of the "New directions" report. The Committee also invited the Administrator of UNDP to ensure that the Special Unit for TCDC plays an active role within the United Nations system in an effort to expand the application of TCDC and effectively implement the "New directions" strategy. Subsequently, the Executive Board of UNDP, at its session in June 1995, agreed to increase the allocation for TCDC during the next UNDP programme cycle, which provided an expanded financial capability to the Special Unit for TCDC and would facilitate the achievement of the objectives envisaged in the "New directions" strategy.

21. Speaking on behalf of the European Union (EU), the representative of Spain said that EU believed that South-South cooperation should be a dynamic instrument in development and a means of ensuring that developing countries participate fully in international economic relations. Political will was crucial for that process. Referring to TCDC, she stressed the need for greater flexibility and new initiatives. The recommendations of the High-level Committee were found to be encouraging. With ECDC, much remained to be done. In certain cases, rationalization and simplification of arrangements were needed to avoid unnecessary duplication. She also emphasized the need for greater interregional cooperation, such as the Bandung Conference of 1994. Adequate institutional arrangements were critical to the success of South-South cooperation. She said that the private sector and non-governmental organizations needed to be expanded. The United Nations system can play an important role in fostering South-South cooperation, taking into account national and regional priorities. Expansion of South-South cooperation required adequate funding, and the international community should support developing country initiatives in that area. She recounted various initiatives by EU in the context of South-South cooperation and assured full support of her group in promoting such cooperation.

22. Speaking on behalf of the Group of 77 and China, the representative of the Philippines said that there should be no doubt about the importance that the Group of 77 attached to enhancing and revitalizing South-South cooperation. The Group viewed South-South cooperation as an integral part of international development cooperation and a catalyst for the promotion of international economic growth and development as well as a means in itself to utilize the potential offered by such growth. South-South cooperation was thus an important means for promoting the development of developing countries, which, in turn, was a key objective of the United Nations. Moreover, in the light of the dramatic changes in the international economic and political environment, brought about by globalization and deepening interdependence among economies as well as the end of the cold war, South-South cooperation gained greater validity. Those changes offered new challenges and opportunities for expanding such cooperation, which could be best exploited if a flexible and evolutionary approach towards South-South cooperation was taken.

23. He emphasized that South-South cooperation was not a substitute for North-South cooperation and should, in fact, be viewed as a complement to it. Hence, South-South cooperation could be of significant benefit for the international community as a whole, including developed countries, and that global cooperation could be brought about by the increasing role of developing countries in the world economy.

24. Aside from the phenomenon of globalization, other approaches which could be explored included more innovative forms of cooperation among developing countries, taking into account their respective development experiences; the growing trend of both developing and developed countries towards greater regional economic cooperation and integration and the steady growth in inter-developing country trade which has been rising steadily since the mid-1980s. Technological and scientific advances, including in the information and communications field, could be examined with a view to considering how such advances could contribute to or encourage South-South cooperation. Recent United Nations conferences on development also provided various possibilities for South-South cooperation, especially in terms of implementation of some of their agreed measures.

25. He hoped that the experts, when considering modalities for expanding South-South cooperation, would take into account the lessons and experiences gained in this endeavour since the formal launching of South-South cooperation. These included the need to avoid duplication and cumbersome arrangements. Improving the machinery for South-South cooperation at the national, regional and global level also deserved to be considered in depth. Another key issue was how to promote international support for South-South cooperation, including identification of how to maximize the role of the United Nations system and its machinery, and other international organizations, in promoting such cooperation. Recommendations on this particular aspect could be considered at an international conference on South-South cooperation.

26. The representative of Japan said that with the end of the cold war, a new international situation had arisen in which socio-economic problems, such as poverty and environmental degradation, were increasingly recognized as threats to world peace and stability. Under those changing circumstances, it was

imperative that serious attention be given to the formulation of a new, comprehensive strategy for development. In formulating the new strategy for development, it was important that a differential approach to development be taken. South-South cooperation represented a new frontier in development cooperation and should be fully supported by the international community. His country believed that a triangular relationship of close cooperation among relatively advanced developing countries, other developing countries and traditional donor countries should be encouraged in the context of establishing a new, comprehensive strategy for development.

27. He reviewed experiences of Japan in promoting South-South cooperation and said that, building upon those experiences, Japan would continue to engage in cooperation efforts that encouraged constructive partnerships between donors and recipients based on a realistic appraisal of the state of development of each country concerned. From that point of view, Japan welcomed the decision taken at the 1995 annual meeting of the UNDP Executive Board to increase the allocation of funding to TCDC activities. Further serious attention needed to be given to the funding mechanism in order to encourage international organizations, particularly those within the United Nations system, to promote South-South cooperation around the globe. Japan, for its part, intended to continue its funding of various South-South cooperation projects and programmes. He hoped that other donors, as well as developing countries with sufficient means and capability, would do the same.

28. As regards global institutions for South-South cooperation, he was of the view that it was premature at this stage to discuss the function and role of such institutions. Rather, South-South cooperation could be expanded most effectively through the revitalization of existing institutional mechanisms and those new initiatives that had been taken, such as the Asia-Africa Forum.

III. CHAIRMAN'S SUMMARY AND CONCLUSIONS

ANNEX I

Attendance

1. The following States Members of the United Nations were represented at the meeting:

Algeria
Argentina
Austria
Bangladesh
Benin
Bolivia
Brazil
Burkina Faso
Cambodia
Cape Verde
China
Colombia
Costa Rica
Cuba
Democratic People's Republic of Korea
Ecuador
Egypt
El Salvador
France
Germany
Greece
Guinea
Guyana
Honduras
India
Indonesia
Iran (Islamic Republic of)
Italy
Jamaica
Japan
Kenya
Lebanon
Lesotho
Madagascar
Malaysia
Maldives
Mexico
Morocco
Myanmar
Nepal
Netherlands
Nigeria
Pakistan
Panama

Paraguay
Peru
Philippines
Republic of Korea
Russian Federation
Saint Lucia
Saint Vincent and the Grenadines
Solomon Islands
South Africa
Sri Lanka
Sudan
Suriname
Togo
Trinidad and Tobago
Tunisia
Turkey
Uganda
United Kingdom of Great Britain and Northern Ireland
United Republic of Tanzania
Venezuela
Viet Nam
Yemen
Zambia

2. The following Observer State of the United Nations was represented at the meeting: Holy See.

3. Members of the following department of the United Nations Secretariat participated in the proceedings of the meeting: Department for Policy Coordination and Sustainable Development.

4. The following regional commissions were represented:

Economic Commission for Africa;
Economic and Social Commission for Asia and the Pacific.

5. The following intergovernmental organizations, which have received a standing invitation to participate in the meetings and work of the General Assembly, were represented at the meeting:

African Development Bank
Asian and Pacific Centre for Transfer of Technology
Caribbean Community Secretariat
Common Market for Eastern and Southern Africa
Latin American Economic System
Organization of African Unity
Organization of the Islamic Conference
Sistema Económico Latinoamericano
South Asian Association for Regional Cooperation
South Centre
South Investment, Trade and Technology Data Exchange Centre

ANNEX II

List of documents

Title	Document No.
Provisional agenda with annotations	A/AC.246/L.1
Status of South-South cooperation and the emerging issues	A/AC.246/1
Expanding South-South cooperation: some suggested issues and modalities	A/AC.246/2
Report of the High-level Committee on the Review of Technical Cooperation among Developing Countries on the work of its ninth session	A/50/39
New directions for technical cooperation among developing countries	TCDC/9/3
Report of the United Nations Conference on Trade and Development Standing Committee on Economic Cooperation among Developing Countries on its third session	TD/B/42(1)/7 and TD/B/CN.3/16